

INDIANA LONG TERM CARE INSURANCE PROGRAM

(IC 12-15-39.6; IC 27-8-12-7.1; 760 IAC 2-20)

HISTORY

Enabling legislation for the Indiana Long Term Care Insurance Program (ILTCIP) was passed in 1987. Federal approval was received in December 1991. The first ILTCIP policies were available in May 1993. The ILTCIP statute was modified in 1994 to allow for the development of an ILTCIP facility-only policy; modified in 1997 moving the program into the Office of Medicaid Policy and Planning (OMPP), providing state funding for the program, and allowing OMPP to establish reciprocity with other states' partnership for long term care programs; and modified again in 1998 expanding the asset protection feature to include both dollar-for-dollar and total asset protection. Tax legislation was passed in 1999 providing a state tax deduction for premiums paid for ILTCIP policies, beginning with tax year 2000.

PURPOSE

The purpose of the ILTCIP is to provide incentives for the purchase of private long term care (LTC) insurance through a partnership between the Medicaid program and private LTC insurance companies. The ILTCIP helps Hoosiers plan for their LTC needs without fear of impoverishment. The ILTCIP assists the State with containing the growth of Medicaid LTC expenditures by encouraging persons to purchase private insurance. The ILTCIP seeks to improve the quality of LTC insurance policies, make LTC insurance more affordable, and increase public understanding of LTC risks, costs, and financing options.

OUTCOMES

The desired outcomes of the ILTCIP are to increase the number of Hoosiers who are educated about their risks and who have purchased high quality, private long term care insurance coverage. Additionally, the ILTCIP seeks to improve LTC policies available in the state and, over time, to promote containment of State Medicaid expenditures for long term care.

STATISTICS

As of 4/01/2005, there are 10 insurance companies approved to participate in the ILTCIP. Through December 2004, **34,051** policies have been purchased. Fifty-six percent of all policy purchasers are female; 78% of purchasers are married; 88% of purchasers have elected coverage for both nursing home and home & community care. The average age of ILTCIP purchaser is 62 years. Two hundred forty-two policyholders have accessed their policy benefits. Sixteen policyholders have exhausted their ILTCIP policy benefits and have accessed Indiana Medicaid assistance while preserving assets.

FOR MORE INFORMATION

Indiana residents can call **1-866-234-4582** to request a free information packet. Or visit www.longtermcareinsurance.in.gov.

History of the Indiana Long Term Care Insurance Program

1987 - Bi-partisan legislation establishing the Indiana Long Term Care Insurance Program was passed. This legislation was the first of its kind in the country.

To address these concerns:

- 1) Rapidly increasing Medicaid expenditures for nursing home care;
- 2) Rapidly growing elderly population in the state, especially in the number of persons age 85+, the heaviest users of long term care services;
- 3) The limited extent to which people were using private insurance to protect against the high cost of long term care;
- 4) The variability in the quality of long term care insurance policies and benefits provided under these policies; and
- 5) The only public program providing significant financial relief to seniors was Medicaid, which required seniors to become impoverished in order to qualify.

Assigned these goals:

- 1) To stimulate the availability of high quality, affordable long term care insurance;
- 2) To provide a means by which Hoosiers could plan to finance their own long term care needs, without the fear of impoverishment;
- 3) To contain the growth of Medicaid expenditures for long term care, by encouraging buying of private insurance; and
- 4) To improve public understanding of long term care financing and provide counseling services to persons in planning for their long term care needs.

1991 – Dec. Federal approval was given for Indiana's Medicaid State Plan Amendment.

1993 – Jan., final rules for Program policies were adopted.

- On May 17, Governor Bayh held a press conference announcing the availability of Indiana Long Term Care Insurance Program policies.

1994 - The Program statute was amended to allow facility-only policies.

1997 - The Indiana Long Term Care Insurance Program was moved legislatively into the Office of Medicaid Policy and Planning, providing state funding for the program. (Funding for the Program, until 1998, was primarily through grants from the Robert Wood Johnson Foundation.)

1998 - Asset protection under the Program was expanded to include both dollar-for-dollar and total asset protection.

1999 – Legislation was passed providing a state tax deduction for premiums paid for Indiana Long Term Care Insurance Program policies, beginning with tax year 2000.